

include the other Federal banking regulators, namely the FDIC and the Office of the Comptroller of the Currency.

The legislation also mandates that regulations promulgated under the relevant section of the FTC Act be prescribed "jointly by such agencies to the extent practicable," in consultation with the FTC. And it requires the GAO to report on the status of the regulations of the Federal banking agencies and the NCUA regarding unfair and deceptive acts.

In testimony before our committee earlier this year, the Comptroller of the Currency and the Chair of the FDIC recommended that the committee make these changes, which also are supported by consumer advocates. This bill merits our support, and I urge its adoption.

Mr. Speaker, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, the good news is that I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. FRANK) that the House suspend the rules and pass the bill, H.R. 3526, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

## PRESERVING AND EXPANDING MINORITY DEPOSITORY INSTITUTIONS ACT

Mr. WATT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4043) to amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to preserve and expand minority depository institutions, and for other purposes, as amended.

The Clerk read the title of the bill.  
The text of the bill is as follows:

H.R. 4043

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Preserving and Expanding Minority Depository Institutions Act".

### SEC. 2. PRESERVING AND EXPANDING MINORITY DEPOSITORY INSTITUTIONS.

(a) IN GENERAL.—Section 308(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463(a) nt.) is amended—

(1) by inserting "the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency" after "consult with"; and

(2) by inserting a comma after "Thrift Supervision".

(b) REPORT.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 nt.) is amended by adding at the end the following new subsection:

"(c) REPORTS.—The Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and the Chairperson of the Federal Deposit Insurance Corporation shall each submit an annual report to the Congress containing a description of actions taken to carry out this section."

(c) TECHNICAL AND CONFORMING AMENDMENT.—Effective upon the enactment of subsection (b), section 3(g)(2) of the Home Owners' Loan Act (12 U.S.C. 1462a(g)(2)) is amended to read as follows:

"(2) [Repealed]."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. WATT) and the gentlewoman from West Virginia (Mrs. CAPITO) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

#### GENERAL LEAVE

Mr. WATT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous materials thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WATT. Mr. Speaker, I yield myself such time as I may consume.

I submit for the RECORD a letter dated November 1, 2007, from the National Bankers Association in support of this legislation.

NATIONAL BANKERS ASSOCIATION,  
Washington, DC, November 1, 2007.

Hon. MELVIN WATT, Chairman,  
Financial Institutions and Consumer Credit Oversight and Investigations,  
House of Representatives, Washington, DC.

DEAR CHAIRMAN WATT: On behalf of the National Bankers Association (NBA) (the voice of minority banks since 1927), its board and membership, thank you for taking the time to hold a hearing of the Subcommittee on Government Oversight and Investigations of the Committee on Financial Services on behalf of the nation's women and minority-owned banks. We appreciate your continued support of our banks. We are especially proud that the Financial Services Committee staff invited the National Bankers Association to participate in this important hearing. We support your idea of a joint hearing with the Ways & Means Committee on the CDFI and New Markets Tax Credits Programs.

NBA supports the revision of the "Preserving and Expanding Minority Depository Institutions Act" H.R. 4043 to include the Office of the Comptroller of the Currency and the Federal Reserve along with the Federal Deposit Insurance Corporation and the Office of Thrift Supervision in the legislation.

We also appreciate you taking the time out of your busy schedule every year to participate in NBA's Annual Legislative Summit. Your support has given NBA an elevated level of attention by other congressional members and bank regulators.

Again, many thanks.

Respectfully submitted,

The National Bankers Association Board of Directors:

Floyd Weekes, Chairman, Executive Vice President, Citizens Bank, Nashville, TN.

James E. Young, Past-Chairman, President & CEO, Citizens Trust Bank, Atlanta, GA.

Robert P. Cooper, Chairman-Elect, Senior Counsel, OneUnited Bank, Boston, MA.

Tommy Brooks, Treasurer, Executive Vice President & CFO, Unity National Bank, Houston, TX.

Cynthia Day, Secretary, Chief Financial Officer, Citizens Trust Bank, Atlanta, GA.

Norma Alexander Hart, President, NBA, Washington, DC.

Mark Ronan, Corporate Advisory Board Chairman, Director of Banking Relations, American Express Company, NY.

Sidney King, Regional Vice Chairman, President & CEO, Commonwealth National Bank, Mobile, AL.

Stanley Weekes, Regional Vice Chairman, Executive Vice President & CCO, City National Bank of New Jersey.

Arlene Williams, Regional Vice Chairman, Senior Vice President, Seaway National Bank, Chicago, IL.

Steve Holt, Regional Vice Chairman, President and CEO, One World Bank, Dallas, TX.

Tony James, Associate-Affiliate President, Senior Vice President, ICBA Securities.

Deloris Sims, Board Member, President & CEO, Legacy Bank, Milwaukee, WI.

Nativido Lozano, III, Board Member, Vice President, International Bank of Commerce, Laredo, TX.

James Ballentine, Board Member, Director, Grassroots Advocacy, American Bankers Association, Washington, DC.

Viveca Ware, Board Member, Director, of Payments & Technology Policy, Independent Community Bankers of America, Washington, DC.

And, The following members from the 52 membership of the National Bankers Association:

Broadway Federal Bank, Los Angeles, CA;  
Unity National Bank, Houston, TX;  
People's Bank of Seneca, Seneca, MO;  
United Americas Bank, Atlanta, GA;  
Seaway National Bank, Chicago, IL;  
First State Bank, Danville, VA;  
First Independence Bank, Detroit, MI;  
OneUnited Bank, Boston, MA;  
Commonwealth National Bank, Mobile, AL;

OneWorld Bank, Dallas, TX;  
Citizens Trust Bank, Atlanta, GA;  
Citizens Bank, Nashville, TN;  
Mutual Community Savings Bank, Durham, NC;

Mechanic & Farmers, Durham, NC;  
Saigon National Bank, Westminster, CA;  
United Bank of Philadelphia, Philadelphia, PA;

Liberty Bank & Trust, New Orleans LA;  
Industrial Bank, Washington, DC.

Mr. Speaker, allow me to start today by expressing the collective condolences of the members of the Oversight and Investigations Subcommittee of the House Financial Services Committee to our ranking member, Representative GARY MILLER, following the death of his daughter. Representative MILLER was an original cosponsor with me of the legislation we are considering, H.R. 4043, and he and his staff encouraged us to proceed with consideration of the bill today when we offered to withdraw it from the calendar and wait until he returns to Congress following the sudden death of his daughter.

I am deeply indebted to Representative MILLER for the cordial manner in which he has worked with me as the ranking member of our subcommittee, for his support of H.R. 4043 to ensure that this important legislation is considered in the bipartisan way it deserves, and for his encouragement to us

to proceed with consideration of this important bill so it will not be delayed. All of us wish Representative MILLER the very best as he and his family try to cope with a loss that we know is devastating to him. Representative MILLER's absence under these circumstances casts a significant pall on our consideration of this bill, but we must proceed, and I am happy to do so with his approval.

Minority-owned banks and thrifts comprise about 2 percent of all banks, thrifts, and banking assets in the United States. Under section 308 of the Financial Institutions Reform, Recovery and Enforcement Act, the Secretary of the Treasury is required to consult with the Chair of the Board of Directors of the Federal Deposit Insurance Corporation and the Director of the Office of Thrift Supervision on methods to achieve the following five goals:

One, preserving existing minority banks; two, preserving the minority character of these institutions in cases involving mergers or acquisitions of minority banks; three, providing technical assistance to prevent the insolvency of existing minority institutions that are not insolvent; four, promoting and encouraging the creation of new minority banks; and, five, providing for training, technical assistance, and educational programs to assist minority banking institutions.

The requirement for consultation between the Secretary of the Treasury, the FDIC, and the OTS has been on the books since the passage of the Financial Institutions Reform, Recovery and Enforcement Act in 1989, and the Office of Thrift Supervision has been required to submit an annual report to Congress describing actions taken to achieve these five goals that help preserve and expand minority banks.

On October 30, 2007, our Financial Services Oversight and Investigations Subcommittee, which I am privileged to chair, held a hearing about a report issued by the U.S. Government Accountability Office in October of 2006 that reviewed Federal banking regulators' efforts to promote these five goals. This report, entitled "Minority Banks: Regulators Need To Better Assess Effectiveness of Support Efforts," found that, despite recommendations contained in a similar 1993 Government Accountability Office report, none of the Federal banking regulators have routinely surveyed institutions within their jurisdiction to assess the effectiveness of the regulators' support efforts to minority banks nor have the regulators systematically established outcome-oriented performance measures to gauge the effectiveness or results of the regulators' efforts. In short, the efforts being taken by the regulators to preserve and promote minority banks appeared modest, and whether the efforts are being effective could not be ascertained. The regulators were taking some steps, but there were no outcome measures to

judge their effectiveness. Indeed, if the number and strength of minority financial institutions since 1989 is a barometer, the efforts of the regulators appear not to be having the positive results we desire.

H.R. 4043 would, in effect, increase the pressure on and transparency of the regulators' efforts by requiring all of them, the Federal Deposit Insurance Corporation, the Federal Reserve, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision, to submit an annual report to Congress on their efforts to implement the goals outlined in section 308 of FIRREA, the goals of preserving and supporting and promoting minority businesses.

At the subcommittee hearing, all the regulators acknowledged that they could and should be doing more and indicated that they do not object to a statutory change to expand the goals of section 308 of FIRREA to their agencies. In addition, witnesses from the FDIC, the Federal Reserve, and the OCC indicated that they do not object to being obligated to prepare and submit to Congress an annual report describing their efforts to promote and preserve minority depository institutions. H.R. 4043 requires this, and I encourage my colleagues to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mrs. CAPITO. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 4043, the Preserving and Expanding Minority Depository Institutions Act of 2007. This bipartisan legislation, introduced by Chairman WATT and Ranking Member MILLER of the Financial Services Oversight and Investigations Subcommittee is intended to support our Nation's minority banks. The bill includes new reporting requirements which will help gauge the effectiveness of government programs that assist minority banks. Like other community banks, minority banks may confront unique challenges because of their smaller size.

Section 308 of FIRREA, the Financial Institutions Reform, Recovery and Enforcement Act of 1989, mandates that the FDIC in conjunction with the Office of Thrift Supervision work to preserve existing minority banks, promote the creation of new minority banks, and provide technical assistance and training. Although not required to do so, the Office of the Comptroller of the Currency and the Federal Reserve also provide assistance to minority banks.

H.R. 4043 will codify the advisory role of the OCC and the Federal Reserve by expanding section 308 of FIRREA to include both of these agencies. Additionally, the legislation directs all four banking regulators to report annually to Congress on their efforts to preserve, promote, and assist minority banks.

At an October 30 Oversight and Investigations Subcommittee hearing on minority banks, the OCC and Federal Re-

serve did not object to being covered by section 308 of FIRREA, and all four regulators stated that they would also not object to the annual reporting requirement since most of them already include minority bank information in reports they currently submit to Congress.

At that same hearing, the subcommittee heard testimony that many of the regulators' programs are underutilized by the minority banks they are designed to help. According to a report issued by the Government Accountability Office last year, most of the banks that did participate found these programs very, very useful. Minority banks should be encouraged to use any and all the tools provided to them by the Federal regulators.

I, too, join with my colleague Congressman WATT in extending our deep sympathy and great caring for our colleague Congressman MILLER while he's going through the tragedy in his family. We miss him here, but his imprint is being felt through this legislation today, and we wish him God's help in dealing with this crisis.

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Mr. Speaker, I urge my colleagues to join me in supporting this legislation, and I yield back the balance of my time.

Mr. WATT. Mr. Speaker, I have no further requests for time.

Let me conclude, then, by just expressing our sincere thanks to our colleagues on the Republican side and to all of the members of the staff for their work on this bill. We think it is a good bill. It is a bipartisan effort to increase transparency and information to Congress and to promote the expansion and preservation of minority financial institutions, all of which we think is good. I encourage my colleagues to support the bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H.R. 4043, the "Preserving and Expanding Minority Depository Institutions Act". Minority-owned financial institutions are vitally important to the economic development and revitalization of urban and minority communities. Businesses and residents in these traditionally underserved communities rely on minority-owned financial institutions to serve their banking and other financial services needs. They have always been there when we needed them—making homeownership a reality for many for whom homeownership was elusive, providing capital for the neighborhood grocery and barber shop, financing housing rehabilitation, providing consumer credit counseling services, providing jobs, and revitalizing communities.

However, minority-owned financial institutions face many challenges. By and large much smaller than other banks, minority banks have difficulty competing with larger institutions for deposits and other business. It is often difficult to diversify their geographical and credit risk exposures. They also face challenges associated with operating in economically depressed markets.

Despite these challenges, minority-owned financial institutions are committed to providing

capital, promoting economic revitalization, and creating jobs. They are committed to serving the urban and minority communities in which they are located and the people and businesses that reside there. We need them.

Minority-owned financial institutions comprise only about two percent of all financial institutions and a significantly lower percentage of total industry assets. We must do all that we can to support, protect and promote these institutions.

This bill, H.R. 4043, the Preserving and Expanding Minority Depository Institutions Act, is an important step. Existing law requires that the Office of Thrift Supervision (OTS) and the Federal Deposit Insurance Corporation (FDIC) consult with the Department of the Treasury on methods to preserve, encourage and promote minority ownership of depository institutions and provide technical assistance, training and education programs.

H.R. 4043 would direct the Chairman of the Board of Governors of the Federal Reserve System and the Comptroller of the Currency to help preserve, encourage and expand minority-owned financial institutions by participating in those activities. In addition, the bill would require each of the participating agencies to submit an annual report to the Congress on actions taken to implement the law.

Mr. WATT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. WATT) that the House suspend the rules and pass the bill, H.R. 4043, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

## SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY ACT OF 2007

Mr. MAHONEY of Florida. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2930) to amend section 202 of the Housing Act of 1959 to improve the program under such section for supportive housing for the elderly, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2930

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Section 202 Supportive Housing for the Elderly Act of 2007”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

#### TITLE I—NEW CONSTRUCTION REFORMS

Sec. 101. Project rental assistance.

Sec. 102. Selection criteria.

Sec. 103. Development cost limitations.

Sec. 104. Owner deposits.

Sec. 105. Definition of private nonprofit organization.

Sec. 106. Preferences for homeless elderly.

Sec. 107. Nonmetropolitan allocation.

#### TITLE II—REFINANCING

Sec. 201. Approval of prepayment of debt.

Sec. 202. Sources of refinancing.

Sec. 203. Use of unexpended amounts.

Sec. 204. Use of project residual receipts.

Sec. 205. Additional provisions.

Sec. 206. Study of mortgage sale demonstration.

#### TITLE III—ASSISTED LIVING FACILITIES

Sec. 301. Definition of assisted living facility.

Sec. 302. Monthly assistance payment under rental assistance.

#### TITLE IV—FACILITATING AFFORDABLE HOUSING PRESERVATION TRANSACTIONS

Sec. 401. Use of sale or refinancing proceeds.

#### TITLE I—NEW CONSTRUCTION REFORMS

##### SEC. 101. PROJECT RENTAL ASSISTANCE.

Paragraph (2) of section 202(c) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(2)) is amended—

(1) by inserting after “ASSISTANCE.—” the following: “(A) INITIAL PROJECT RENTAL ASSISTANCE CONTRACT.—”;

(2) in the last sentence, by striking “may” and inserting “shall”; and

(3) by adding at the end the following new subparagraph:

“(B) RENEWAL OF AND INCREASES IN CONTRACT AMOUNTS.—

“(i) EXPIRATION OF CONTRACT TERM.—Upon the expiration of each contract term, the Secretary shall adjust the annual contract amount to provide for reasonable project costs, and any increases, including adequate reserves, supportive services, and service coordinators, except that any contract amounts not used by a project during a contract term shall not be available for such adjustments upon renewal.

“(ii) EMERGENCY SITUATIONS.—In the event of emergency situations that are outside the control of the owner, the Secretary shall increase the annual contract amount, subject to reasonable review and limitations as the Secretary shall provide.”.

##### SEC. 102. SELECTION CRITERIA.

Subsection (f) of section 202 of the Housing Act of 1959 (12 U.S.C. 1701q(f)) is amended—

(1) by striking “SELECTION CRITERIA.—” and inserting “INITIAL SELECTION CRITERIA AND PROCESSING.—(1) SELECTION CRITERIA.—”;

(2) by redesignating paragraphs (1), (2), (3), (4), (5), (6), and (7) as subparagraphs (A), (B), (C), (D), (E), (G), and (H), respectively;

(3) by inserting after subparagraph (E) (as so redesignated by paragraph (2) of this subsection) the following new subparagraph:

“(F) the extent to which the applicant has ensured that a service coordinator will be employed or otherwise retained for the housing, who has the managerial capacity and responsibility for carrying out the actions described in subparagraphs (A) and (B) of subsection (g)(2);”;

(4) by adding at the end the following new paragraph:

“(2) DELEGATED PROCESSING.—

“(A) In issuing a capital advance under this subsection for any project for which financing for the purposes described in the last two sentences of subsection (b) is provided by a combination of a capital advance under subsection (c)(1) and sources other than this section, within 30 days of award of the capital advance, the Secretary shall delegate review and processing of such projects to a State or local housing agency that—

“(i) is in geographic proximity to the property;

“(ii) has demonstrated experience in and capacity for underwriting multifamily housing loans that provide housing and supportive services;

“(iii) may or may not be providing low-income housing tax credits in combination with the capital advance under this section, and

“(iv) agrees to issue a firm commitment within 12 months of delegation.

“(B) The Secretary shall retain the authority to process capital advances in cases in which no State or local housing agency has applied to provide delegated processing pursuant to this paragraph or no such agency has entered into an agreement with the Secretary to serve as a delegated processing agency.

“(C) An agency to which review and processing is delegated pursuant to subparagraph (A) may assess a reasonable fee which shall be included in the capital advance amounts and may recommend project rental assistance amounts in excess of those initially awarded by the Secretary. The Secretary shall develop a schedule for reasonable fees under this subparagraph to be paid to delegated processing agencies, which shall take into consideration any other fees to be paid to the agency for other funding provided to the project by the agency, including bonds, tax credits, and other gap funding.

“(D) Under such delegated system, the Secretary shall retain the authority to approve rents and development costs and to execute a capital advance within 60 days of receipt of the commitment from the State or local agency. The Secretary shall provide to such agency and the project sponsor, in writing, the reasons for any reduction in capital advance amounts or project rental assistance and such reductions shall be subject to appeal.”.

##### SEC. 103. DEVELOPMENT COST LIMITATIONS.

Section 202(h)(1) of the Housing Act of 1959 (12 U.S.C. 1701q(h)(1)) is amended, in the matter preceding subparagraph (A), by inserting “reasonable” before “development cost limitations”.

##### SEC. 104. OWNER DEPOSITS.

Section 202(j)(3)(A) of the Housing Act of 1959 (12 U.S.C. 1701q(j)(3)(A)) is amended by inserting after the period at the end the following: “Such amount shall be used only to cover operating deficits during the first three years of operations and shall not be used to cover construction shortfalls or inadequate initial project rental assistance amounts.”.

##### SEC. 105. DEFINITION OF PRIVATE NONPROFIT ORGANIZATION.

Subparagraph (B) of section 202(k)(4) of the Housing Act of 1959 (12 U.S.C. 1701q(k)(4)(B)) is amended by inserting before the semicolon the following: “; except that, in the case of any national organization that is the owner of multiple housing projects assisted under this section, the organization may comply with clause (i) of this subparagraph by having a local advisory board to the governing board of the organization the membership which is selected in the manner required under clause (i)”.

##### SEC. 106. PREFERENCES FOR HOMELESS ELDERLY.

Subsection (j) of section 202 (12 U.S.C. 1701q(j)) is amended by adding at the end the following new paragraph:

“(9) PREFERENCES FOR HOMELESS ELDERLY.—The Secretary shall permit an owner of housing assisted under this section to establish for, and apply to, the housing a preference in tenant selection for the homeless elderly, either within the application or after selection pursuant to subsection (f), but only if—

“(A) such preference is consistent with paragraph (2) of this subsection; and